

Bob Dole



NEWS

U. S. SENATOR FOR KANSAS

FROM:

SENATE REPUBLICAN LEADER

FOR IMMEDIATE RELEASE
AUGUST 26, 1991

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SOVIET FOOD CREDITS

DOLE: CONTINUE PRESSING FOR FULFILLMENT OF LONG-TERM GRAIN AGREEMENT; ADDITIONAL FOOD AID HINGES ON SOVIET REFORMS

WASHINGTON -- FOLLOWING TODAY'S ALLOCATION OF \$315 MILLION IN U.S. AGRICULTURAL CREDIT GUARANTEES TO THE SOVIET UNION, SENATE REPUBLICAN LEADER BOB DOLE (R-KANSAS) SAID HE WOULD CONTINUE PRESSING THE SOVIET GOVERNMENT TO FULFILL THEIR COMMITMENTS UNDER THE U.S./SOVIET LONG TERM GRAIN AGREEMENT (LTA). DOLE ALSO SUGGESTED THAT THERE MAY BE ADDITIONAL SOVIET DEMAND FOR AMERICAN FARM COMMODITIES UNDER THE CURRENT \$1.5 BILLION CREDIT PACKAGE BEFORE THE END OF THE FISCAL YEAR ON SEPTEMBER 30.

TODAY'S CREDIT ALLOCATION BY THE U.S. DEPARTMENT OF AGRICULTURE CONSISTED OF \$150 MILLION FOR FEED GRAINS, \$90 MILLION FOR SOYBEAN MEAL, \$45 MILLION FOR WHEAT, AND \$30 MILLION TO COVER FREIGHT CHARGES. PREVIOUSLY SCHEDULED FOR RELEASE ON OCTOBER 1ST, TODAY'S \$315 MILLION ALLOCATION IS PART OF THE SECOND \$500 MILLION SEGMENT OF THE \$1.5 BILLION IN CREDITS SOUGHT BY DOLE AND EXTENDED BY PRESIDENT BUSH IN EARLY JULY.

"THE ALLOCATION OF \$45 MILLION FOR WHEAT PURCHASES WILL LEAVE THE SOVIETS 1.25 MILLION METRIC TONS SHORT OF THE MINIMUM REQUIREMENTS SET OUT UNDER THE LTA FOR THIS CALENDAR YEAR," SAID DOLE. "WE WILL PUSH HARD TO SEE THAT THE SOVIETS MEET THEIR OBLIGATIONS UNDER THE LTA. IN ORDER TO DO SO, \$130 TO \$210 MILLION OF THE OUTSTANDING CREDIT BALANCE WILL HAVE TO BE COMMITTED TO WHEAT PURCHASES."

DOLE POINTED OUT THAT THERE MAY BE ADDITIONAL SOVIET DEMAND BEFORE THE END OF THE 1991 FISCAL YEAR. IN ADDITION, STRONG SPECULATION PERSISTS THAT THE SOVIETS WILL USE UP THE REMAINING \$585 MILLION OF THE \$1.5 BILLION CREDIT PACKAGE BEFORE THE END OF THE CALENDAR YEAR. GIVEN THE SOVIETS' NEEDS, THERE IS SOME SPECULATION THAT THEY WILL ASK FOR ADDITIONAL CREDITS BEYOND THE CURRENT \$1.5 BILLION PACKAGE.

DOLE SAID THAT ADDITIONAL CREDIT ASSISTANCE SHOULD BE BASED ON AGGRESSIVE SOVIET ECONOMIC REFORMS IN ORDER TO ESTABLISH A MARKET-ORIENTED ECONOMY.

"ADDITIONAL AID SHOULD DEPEND ON QUICK MOVEMENT ON GENUINE ECONOMIC REFORMS IN THE SOVIET UNION, INCLUDING CUTTING OFF THEIR \$4-5 BILLION A YEAR IN AID TO FIDEL CASTRO, INDEPENDENCE FOR THE BALTICS, AND REDUCED MILITARY SPENDING," DOLE SAID. "NO DOUBT ABOUT IT, AGGRESSIVE REFORMS COULD PAVE THE WAY FOR INCREASED SOVIET PURCHASES OF U.S. COMMODITIES AND STABILIZING OUR TRADING RELATIONSHIP ON A YEAR-TO-YEAR BASIS."

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